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VALLEY COUPLE CHARGED WITH CRIMINAL COPYRIGHT AND TRADEMARK VIOLATIONS FOR DISTRIBUTING COUNTERFEITED MOVIES AND MUSIC

Defendants Operated Massive Distribution Centers in Stockton and San Jose

SACRAMENTO - United States Attorney McGregor W. Scott, Sacramento County Sheriff Lou Blanas, and Resident Agent-in-Charge Brady Mills, United States Secret Service, announced today that JESUS BECERRA HUERTA, 48, and ROSA ISELA HUERTA, 39, of Stockton, California were arrested and charged with criminal copyright infringement and trademark violations. The charges stem from the defendants alleged large scale and illegal distribution of copyrighted movie DVDs and music CDs from locations in Stockton and San Jose.

This case is the product of an extensive/joint investigation by the Sacramento Valley High Tech Crimes Task Force, which is comprised of more than thirty federal, state, and local law enforcement agencies, including the United States Secret Service, and the Federal Bureau of Investigation. The Department of Homeland Security, Immigration and Customs Enforcement, the Motion Picture Association of America ("MPAA"), and the Recording Industry Association of America ("RIAA") also assisted with the case.

The arrests of JESUS HUERTA AND ROSA HUERTA were coordinated with Rapid Enforcement Allied Computer Task Force ("REACT"), which also made multiple arrests and executed search warrants earlier this morning in the San Francisco Bay Area.

According to Assistant United States Attorney Robin R. Taylor, who is prosecuting the case, the criminal complaint alleges that from approximately September 2005, through the present, JESUS BECERRA HUERTA and his wife, ROSA ISELA HUERTA, unlawfully distributed counterfeit movies and music from a storefront located in Stockton, California where more than 50,000 counterfeit units were seized. They defendants are also alleged to have distributed counterfeit movies and music to a second location in San Jose, California.

The defendants, without authorization, sold DVDs of new-release movies, such as, *Deuce Bigalow European Gigalo*, *Hustle & Flow*, *The Island*, *Underclassman*, *Transporter 2*, *The Wedding Crashers*, *Four Brothers*, *The Skeleton Key*, *The 40 Year Old Virgin*, *The Man*, and *War of the Worlds*, which were only playing in theaters, and not yet released to DVD format, as

well as a variety of Spanish and English music titles. Most movies were sold for approximately \$2 per unit. According to the MPAA and the RIAA, illegal duplication causes losses to copyright and trademark owners, which impedes the owners' ability to create and promote new movies and music. MPAA states that the value of an illegally recorded movie, which has not been released to DVD, is between \$1,000 and \$2,500 per movie based on the fact that a single licensing fee for such a movie ranges from \$1,000 to \$2,500, with the average being \$1,900.

JESUS HUERTA and ROSA HUERTA appeared before Magistrate Judge Dale Drozd today for an initial appearance and a detention hearing. Both defendants were advised of the charges against them. JESUS HUERTA was released on \$100,000 unsecured bond, and ROSA HUERTA was released on her own recognizance. A preliminary hearing has been set for both defendants on October 26, 2005.

The defendants arrested in the Bay Area included YAOBIN ZHAI, 33, of Fremont, the co-owner of Magic Media and BDG Publishing in Hayward, YE TENG WEN, aka Michael Wen, 29, of Union City and HAO HO, aka Kevin He, 30, of Union City the co-owners of Media Art Technology in Hayward and Union City. All were arrested on federal warrants alleging violations of criminal copyright infringement, and conspiracy to commit criminal copyright infringement.

If convicted, the defendants face a maximum penalty under federal law of 10 years in prison, a fine of \$2 million, or both, for a first offense. After a conviction, the maximum increases to 20 years in prison, a fine of not more than \$5 million, or both.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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